



SACHI A. HAMAI
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 383
LOS ANGELES, CALIFORNIA 90012
(213) 974-1411 • FAX (213) 620-0636

MEMBERS OF THE BOARD

GLORIA MOLINA
MARK RIDLEY-THOMAS
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

August 17, 2012

TO: Supervisor Zev Yaroslavsky, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Sachi A. Hamai
Executive Officer

SUBJECT: LACERA ELECTION PROTEST

On April 3, 2012, your Board adopted two resolutions establishing the procedures to elect the Third Member of the Board of Investments and the Third Member Board of Retirement for the Los Angeles County Employees Retirement Association (LACERA), for terms beginning January 1, 2013.

Among the provisions contained in each of your Board's resolutions establishing the procedures for this election is item number 28 that permits candidates to protest the results of the election. Under the procedures, a candidate who files a protest is required to describe, in writing, the grounds for the protest and to accompany the protest with supporting documentation. Explicit in the provisions, item number 30, is that if the Board determines, on the basis of written protest or on its own motion, that any error, omission or neglect occurred attributable to the County in the administration of the election sufficient to change the result, it may order a new election. However, allegations of candidate misconduct shall not constitute grounds for a new election.

Mr. Simon Russin, an unsuccessful candidate for the Third Member, Board of Investments and the Third Member Board of Retirement has filed a protest of the election result. A copy of his letter of protest is attached. My office is currently reviewing Mr. Russin's allegations and supporting documentation and will be advising your Board of our findings.

If you require any additional information with respect to this matter, please call me or your staff may contact Don Garcia at (213) 974-1578.

SAH:dg

Attachment

c: Brandi Moore, County Counsel
Don Garcia, Executive Office

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August 10, 2012

Sachi A. Hamai

Executive Officer

County of Los Angeles

County Board of Supervisors

Dear Ms. Hamai:

I am seeking the disqualifications of Herman B. Santos, candidate for 3rd member Board of Investments; and of Vivian Gray, 3rd Member Board of Retirement from the July 31, 2012 Los Angeles County Employees Retirement Association Election.

Both candidates, Mr. Santos and Ms. Gray did violate the Resolutions Establishing the Election for The Third Member Board of Investments and Third Member Board of Retirement of the Los Angeles County Employees by violating article 16.

Article 16 states: Any County employee who is a candidate in this election is a candidate in his or her personal capacity, and may not use County time or County resources to further his or her campaign or election. Any candidate who violates this provision is subject to discipline, including discharge from County employment.

By the union's violation of county equipment and county employees' time, the county election process is undemocratic and puts vast billions of county dollars in the hands of publicly unelected union officials. Giving mass e-mail privileges in violation of county election rules, prejudices the election in favor of union control.

SEIU Local 721 membership consists of 58,000 represented employees who received emails to their work addresses at least four times in mass e-mailings during the campaign. This had a very negative effect on Mr. Russin's campaign and the e-mailings were in direct violation of the Board of Supervisors' resolutions on using county time and equipment and employees' time in opening, reading, considering these political messages. These union-backed candidates did receive significant political advantage in abusing county rules

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and regulations. This illegal and substantial political advantage in ignoring these rules definitely changed the political outcome in that Mr. Russin fell 339 votes short of Mr. Hermann Santos. Mr. Santos had the ability— by violating county in use of county equipment and county employee time— to send derogatory and inflammatory emails to 58,000 county employees over county equipment.

With the permission of these candidates Mr. Santos and Ms. Gray, emails were sent in behalf of the union supported candidates that were received on county computers. The emails in favor of the candidates were also read by county employees on county time in direct violation of election rules.

In addition the emails sent in support of the candidates that were received on county computers and read by county employees during county times did defame candidate Simon S. Russin in violation of "Candidate Statement Information and Guidelines" published by Los Angeles County.

The Candidate Statement Information and Guidelines state:

"RESTRICTIONS: Statements shall not, in any way, make reference to other candidates for office to other candidates' qualifications, character or activities. Moreover, no statement shall contain any demonstrably false, slanderous or libelous statements nor any obscene or profane language statements or insinuations."

Using county computers, the SEIU Local 721 did send defamatory statements about candidate Simon Russin to be received and read by county employees on county time. Some of defamatory statements received on county computers and read on county time read:

"Russin is lying or he doesn't know the difference"

"...he's unqualified to invest our money."

"He (Russin) can no longer be trusted..."

These statements received on county computers and read during county time were political statements sent on behalf of candidates opposing Mr. Russin, and as such do violate county restrictions.

Inasmuch as the candidates and benefactors of that statement did violate county restrictions and election rules, and inasmuch as the retirement and investment boards both make decisions overtime that involve billions of county dollars, Mr. Russin, who has served more than 30 years on the LACERA Board of

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Retirement and 21 years on the LACERA Board of Investment, asks for a redress in that the two candidates violating county rules are disqualified as candidates.

To not disqualify the candidates would make the violations of county rules involving the use of county equipment and prohibition of reading of those statements on county time null and void.

Also, the derogatory and defamatory statements sent over county computers were in behalf of the candidates and in violation of county rules.

In addition, during the election process the union placed on political flyers the County Seal which gave the impression they were being endorsed by Los Angeles County officials and the LACERA logo. The union was ordered to cease using the County Seal, but the damage had already been done.

By allowing the union to use work addresses is a dangerous political precedent, which influences the voting employees while those employees only have limited information about the campaign affecting the financial stability of the county.

The union's violation in use of county equipment and county employee work time is especially disturbing in that the election was close. Mr. Russin lost the seat for the Board of Investment by only 339 votes.

These violations by the union of county rules and regulations puts the union in substantial control of the \$38.7 billion pension fund and in the granting of disability retirements, administration of the retiree medical plan and oversight of the entire LACERA organization.

Considering the gravity of the union's violation of rules in the election contest, to grant Mr. Russin's request that these candidates be disqualified. For further information on this petition to the Board of Supervisors, please refer to the attached emails sent to the employees' worksites, or contact Mr. Russin at his residence 626-355-9191, or his cellphone number at 626-353-6632.



Simon S. Russin

Vice-Chairman, LACERA Board of Retirement

Cynthia Brown - Elect Santos and Gray to LACERA Boards

1

From: SEIU 721 Executive Board <info@seiu721.org>
To: CYNTHIA BROWN <cybrown@ph.lacounty.gov>
Date: 6/21/2012 10:16 AM
Subject: Elect Santos and Gray to LACERA Boards

x

Dear Cynthia,

Your LACERA ballot is in the mail and should arrive in the next few days. LACERA oversees, invests and protects our retirement money. **SEIU Local 721 has endorsed the re election of Herman Santos (Chair of the Board of Investments) and the election of Vivian Gray (an Alternate Public Defender) for the Board of Retirement.**

x

Read more about SEIU Local 721's endorsed candidates.

There is really only one issue in this campaign: trust. Simon Russin, who has been a LACERA trustee for 30 years, is running for both Boards. Local 721's Executive Board has decided that he can no longer be trusted despite our support over the past several decades.

While on the Investments Board in 2010, Simon announced he would vote to lower LACERA's assumption rate even though it would cost the county over \$200 million and lead to layoffs and furloughs. Despite many pleas from concerned members, Simon voted to lower the rate. Layoffs were averted only because he lost the vote. In 2011 we endorsed David Green who defeated Simon by a wide margin for the Investments Board.

We knew Simon was running for re-election to the Board of Retirement this year. Since that Board can't influence the County budget, many members urged his endorsement. But that became impossible when Simon, still angry and bitter, filed to run against Herman Santos, whom we had already endorsed for the Investments Board. Simon didn't inform anyone and submitted his papers literally at the last possible moment. Worse, Simon's candidate statement is misleading and clearly anti-union.

This is not a time to take chances. Voters in San Diego and San Jose gutted pensions for their city workers earlier this month, and Wisconsin's public sector unions are on the ropes. Here in California, millions will be spent to silence our political voice in November, crippling our power to win for our members. Tragically, Simon Russin is trashing his own legacy. Don't let him trash our futures. **Vote for Herman Santos and Vivian Gray.**

In Solidarity,

Aug 10 12 11:57a

Fwd: Elect Santos and Gray to LACERS Boards

p.6

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From: Jennifer Coddington <jcoddington@ph.lacounty.gov>

To: hannah136 <hannah136@aol.com>

Subject: Fwd: Elect Santos and Gray to LACERS Boards

Date: Wed, Jul 18, 2012 2:23 pm

2

>>> SEIU 721 Executive Board <info@seiu721.org> 6/19/2012 5:17 PM >>>

Dear Jennifer,

Your LACERA ballot is in the mail and should arrive in the next few days. LACERA oversees, invests and protects our retirement money. **SEIU Local 721 has endorsed the re election of Herman Santos (Chair of the Board of Investments) and the election of Vivian Gray (an Alternate Public Defender) for the Board of Retirement.**

Read more about SEIU Local 721's endorsed candidates.

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In Solidarity,
SEIU Local 721 Executive Board

This email was sent to:
jcoddington@edns.org

To unsubscribe from the SEIU Local 721 Action Center, go to:
<http://action.seiu721.org/unsubscribe>

Aug 10 12 11:57a

Fwd: Last week to vote to protect your pension

p.7

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From: Jennifer Coddington <jcoddington@ph.lacounty.gov>
To: hannah136 <hannah136@aol.com>
Subject: Fwd: Last week to vote to protect your pension
Date: Fri, Jul 20, 2012 3:08 pm

3

Another e mail and I got a phone call 2 nights ago from the union asking me if I had voted!
And what would they have said if I had said no.

>>> SEIU 721 Executive Board <info@seiu721.org> 7/20/2012 2:21 PM >>>

Dear Jennifer,

LACERA ballots must be received by the Registrar-Recorder by July 31, which leaves only one week to vote to protect your pension.

Please find the envelope from the Registrar-Recorder / County Clerk, retrieve your ballot and vote for our endorsed candidates: Herman Santos for the Board of Investments, and Vivian Gray for the Board of Retirement.

Herman Santos, an L.A. County Deputy IV Public Defender, is the Chair of the Investments Board. He's been on the board since 2004 and has been twice elected chair by his Board colleagues. Simon Russin, who is running against Herman, served on that board for 22 years and was never elected Chair by his colleagues.

Vivian Gray, a former Deputy Sheriff and an attorney with the Alternate Public Defender's office, wants to improve the Retirement Board's review process. Right now members applying for a disability retirement have to wait 15 - 18 months for a decision. Some workers have lost their homes or gone bankrupt while waiting. Simon Russin, who has been on the Retirement Board for 30 years, doesn't seem to think it's a problem.

Having been a LACERA trustee since 1982, Simon has clearly lost touch with County workers. Possibly because he doesn't even work as a County employee anymore - he's on 100% release for LACERA even though he retains his job title and salary. The whole idea of electing a general member trustee is to have someone on the Board who understands and represents county workers. Simon just doesn't fit the bill anymore. It is time for a change.

Please vote for Herman Santos and Vivian Gray and return your ballot right away.

In Solidarity,
SEIU Local 721 Executive Board

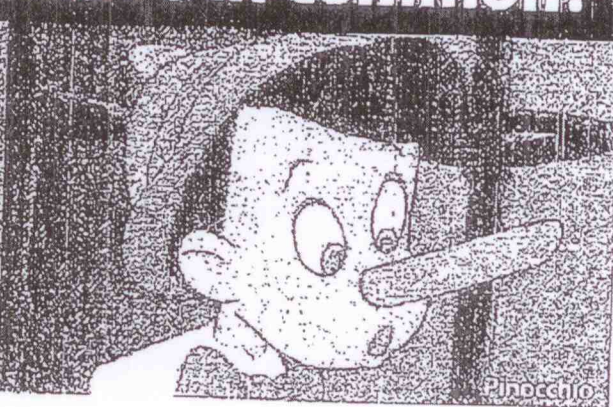
This email was sent to:
jcoddington@lachs.org

To unsubscribe from the SEIU Local 721 Action Center, go to:
<http://action.seiu721.org/unsubscribe>

What do these two have in common?



Simon S. Russin



Pinocchio

- ❑ **Shameful and false:** Simon says Investments Board Chair Herman Santos is a candidate for the 1% — like Mitt Romney!
- ❑ Simon says that Romney's Bain Capital is a "Hedge Fund Company," which is **factually wrong**. Bain is a private equity firm that piles up debt on companies, breaks them up, busts unions, fires workers and sells off the pieces for huge profits. Either Simon doesn't understand the difference or he's being dishonest. In either case, **he is unqualified to invest our retirement money.**
- ❑ Simon denounces Herman as "management." Yes, he is a Deputy IV Public Defender and supervises other attorneys while still defending disadvantaged youth at Pomona Juvenile Court. But as a Chief Environmental Health Specialist, Russin is also a manager. Maybe he forgot — after all, he's on 100% release and hasn't performed his County job duties for many years.
- ❑ Simon claims on his website that he is "Vice-Chair" of the Investments Board. **But he was defeated for the Board of Investments last year for a vote that could have led to layoffs and furloughs of County workers. He is either deluded or in denial.**
- ❑ The reality is that Simon is angry and bitter, and blames "the unions" for his defeat last year. But unions are the last line of defense for working families and the middle class, and are the only institution capable of defending our pensions.



Herman Santos is endorsed by SEIU Local 721, IAF Local 1014 (Firefighters), AFSCME District Council 36, AFSCME Local 685 (Deputy Probation Officers), CAPE (Professional Employees), LA County Public Defenders Association, LA County Public Defender Investigators Association and ADDA (District Attorneys). (Russin is endorsed by IBT 911)

**Cast your vote for integrity, honesty and reality.
Vote for Herman Santos for the Board of Investments
and Vivian Gray for the Board of Retirement.**

Employees are prohibited from using County time or County resources to further the campaign or election of any candidate.

AKG:cs 09/04/12 12:00 7212

(5)

Compare the Candidates for LACERA's Board of Investments

Compare	Herman Santos	Simon Russin
L.A. County Position	Deputy Public Defender IV, Deputy-in-charge, Pomona Juvenile Court. Herman manages a staff of attorneys, and appears in Court in addition to his work as a trustee.	While his job title is Chief Environmental Health Specialist, Simon apparently works from home. Unknown when he last worked in the field.
LACERA Experience	Chair of Board of Investments, completing his 3 rd term as trustee (9 years), 2 nd term as Board Chair. During his 1 st term as Chair in 2010 he led Board to reject lowering of the assumption rate which would have caused layoffs and furloughs of County workers.	LACERA trustee since 1982, including 20+ years on Investments Board; never elected Chair of that Board. Defeated last year by David Green after voting to lower the assumption rate which would have led to layoffs and furloughs of County workers.
Fighting Attacks on our Secure Retirement	Founded and Chairs Local 721's Secure Retirement Committee. Led the fight against Schwarzenegger's attack on public pensions. Member of National Pension Roundtable. Lobbied legislators this year against Jerry Brown's pension "reform".	Spoke against Schwarzenegger's attacks and currently opposes Brown's "reforms", but never lobbied legislators, attended hearings, or wrote letters in favor of public pensions.
Corporate Governance and LACERA	Long time Chair of LACERA Corporate Governance Committee. Worked with SEIU International and AFL-CIO to fight for re-regulation of financial industry. Went to DC to lobby for Dodd-Frank reforms.	Gives lip service to corporate governance but hasn't actively lobbied for many years. A strong ally of Antonovich appointee John Barger, and voted with him often when both were on the Board of Investments.
Keeping Promises	Has always put LACERA members' interests first, has been a national leader in corporate governance, has improved returns on investments and has educated members about pensions and plans, all as he promised.	On May 22 Simon filed to run against Herman Santos for the Investments Board even though Herman had been endorsed, a violation of SEIU policy, with which he is very familiar.
Union Commitment	First elected a Steward in 1974. In 1976 joined the staff of SEIU Local 144 in New York. In 1985 joined SEIU 660 staff. Later joined 660 Legal Department. Remains active with SEIU 721.	A former Steward and Board member of legacy Local 660, Russin has turned against unions, as evidenced by his own candidate statement.
Education	Bachelors Degree in Business Admin. from Baruch College, CUNY. Bachelors degree Science of Law Glendale University College of Law; Juris Doctor in 1994.	B.A. in biology, Wilkes University; graduate work in marine biology, Long Island University.
Endorsements	Herman has been endorsed by SEIU Local 721, AFSCME Local 685 (Probation Officers), AFSCME Dist. Council 36, Local 1014 (Firefighters), CAPE (Assessors, Engineers), ADDA (District Attorneys), LAPDIA (Investigators) and LAPDA (Public Defenders).	Simon has received the endorsement of only one union, Teamsters 911.

☒ **Vote for Herman Santos**

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